

REPORT TO THE CITY COUNCIL**DATE ISSUED:** November 12, 2008**REPORT NO:** CCR 08-09**ATTENTION:** Council President and City Council
002217 For the Agenda of December 2, 2008**SUBJECT:** Proposed Scope of Services for Permanent Homeless Facility

REQUESTED ACTION: Recommend City Council approval of the attached draft Scope of Services to go forward as part of a Request for Proposals/Qualifications (RFP/Q) to local developers and service providers for permanent supportive housing for homeless individuals.

STAFF RECOMMENDATION: Authorize the Housing Commission to solicit proposals from interested parties to develop service enriched housing for homeless individuals in the city.

SUMMARY: The Land Use and Housing Committee of the City Council created a task force (the "Permanent Homeless Facility Task Force") to develop recommendations for: 1) identifying and evaluating possible sites for a permanent emergency shelter; 2) developing a list of the essential elements of a shelter; and 3) providing a draft Request for Proposals and/or Qualifications (RFP/Q) for the site.

A subcommittee of the task force was given responsibility for determining essential service elements and drafting a RFP/Q. Through research of best practice models and input from the community, the task force determined the most effective model to address homelessness was not just emergency beds, but permanent housing coupled with services. Many of the successful models studied provided wrap-around services in one convenient location coupled with housing. These models boast a high rate of success not just getting people off the streets, but keeping them from returning. Thus, it was determined a more holistic approach was required to address homelessness in San Diego.

The attached draft RFP/Scope of Services is provided as a model for the City's use in this regard.

On any given day in the City of San Diego there are an estimated 4,500 people who are homeless. People experiencing chronic homelessness are very expensive in mainstream health, treatment, and law enforcement systems and, according to current research, may cost the community between \$35,000 and \$150,000 per person per year if they frequently move through such systems. Permanent housing is the central antidote to homelessness; providing permanent housing with wrap-around support services in the context of permanent housing results in costs ranging from \$13,500 to \$25,000, which provides for significant cost savings to communities. By initiating a higher level of services and housing for homeless individuals and families, San Diego can begin to realize these savings.

In developing a homeless program for the City of San Diego, the issues causing homelessness need to be addressed. People who are homeless do not simply lack a

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Proposed Scope of Services for Permanent Homeless Facility

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place to reside -- but, rather have a composite of causes, needs, economic circumstances, and disabilities. Some are of short duration, easily resolved, requiring little if any outside assistance or intervention. Others are longstanding, seemingly intractable. It is the goal of this RFP/Scope of Services to propose a strategy to best address a variety of needs, based on best practices of other jurisdictions and on ideas specific to San Diego, making optimal use of the limited resources available.

FISCAL CONSIDERATIONS:

None with this Report. However, development as recommended would require significant public resources.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This RFP was drafted under the direction of the Land Use and Housing Committee's Permanent Homeless Facility Task Force. This proposal was heard and approved by a unanimous vote at the Land Use and Housing council committee meeting of November 5, 2008.

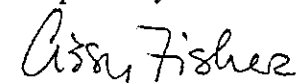
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Permanent Homeless Facility Task Force held several meetings to discuss possible action on proposed scope of services for a permanent homeless shelter. Small business owners, residents, service providers and developers were present at the meetings and voiced their concerns regarding the homeless situation in the city.

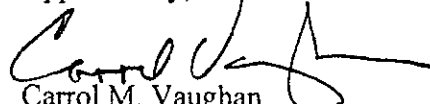
KEY STAKEHOLDERS & PROJECTED IMPACTS:

Stakeholders include homeless individuals and families, along with potential service providers that might participate in the activities recommended.

Respectfully submitted,


Cissy Fisher
Director, Housing Finance

Approved by,


Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Attachments:

1. Scope of Services for Permanent Homeless Facilities

Hard copies are available for review during business hours at the Office of the City Clerk,
202 C Street, San Diego, CA 92101.

ATTACHMENT 1

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**Scope of Services
For Permanent Homeless Facility**

December 2, 2008

NOTE: THIS DOCUMENT IS NOT A FINAL SCOPE OF SERVICES AND IS NOT MEANT TO BE DISTRIBUTED OR INTERPRETED AS A FINAL SCOPE OF SERVICES.

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Introduction

The U.S. Department of Housing and Urban Development (HUD) defines a chronically homeless person as an unaccompanied disabled individual who has been sleeping in one or more places not meant for human habitation or in one or more emergency homeless shelters for over one year or who has had four or more periods of homelessness over three years.

People experiencing chronic homelessness are our most disabled and vulnerable citizens and most likely to die on the streets of our communities; people experiencing chronic homelessness comprise between 10 and 20% of all homeless persons but consume 50% of the resources targeted to homelessness.

People experiencing chronic homelessness are very expensive in mainstream health, treatment, and law enforcement systems and, according to current research, may cost the community between \$35,000 and \$150,000 per person per year in their random ricocheting through such systems. Permanent housing is the central antidote to homelessness; providing permanent housing with wrap-around support services in the context of permanent housing results in costs ranging from \$13,500 to \$25,000, which provides for significant cost savings to communities.

On any given day in the City of San Diego there are an estimated 4,500 people who are homeless. The impact of homelessness on these individuals, on the City as a governing body, and on the City's residents, businesses, and public and private institutions cannot be ignored.

In developing a homeless program for the City of San Diego, the issues causing homelessness need to be addressed. People who are homeless do not simply lack a place to reside -- but, rather have a composite of causes, needs, economic circumstances, and disabilities. Some are of short duration, easily resolved, requiring little if any outside assistance or intervention. Others are longstanding, seemingly intractable. It is the goal of this RFP to define homelessness, estimating the number of persons each category involves; and to propose a strategy to best address each type of need, based on the best practices of other jurisdictions and on ideas specific to San Diego, making optimal use of the limited resources available.

Categories of Homeless

A. "Pre-homeless" or "At-Risk of being Homeless"

A number of variables can cause individuals and/or households to be at the brink of losing housing, either occasionally or frequently. Often the cause is economic: a job loss, a family illness, a change in household composition, a rent increase or, foreclosure can challenge or even sabotage efforts to budget for life's necessities, including housing.

Though difficult to estimate, it is believed that about 1 in 10 individuals and households may experience the risk of homelessness in any given year.

B. Situationally Homeless

Similar economic factors, but magnified, with contributing factors of physical, mental and / or health-related disabilities often co-occurring with substance abuse that often compound or even lead to the economic problems. These are factors contributing to episodic homelessness.

Approximately 1,400 individuals/households are homeless for a portion of any year.

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C. Chronically Homeless

1. Unable to Afford Housing

The generally accepted standard for a rent to income ratio a household can afford to spend on housing is 30 percent. For lower income people, there are few options if sufficient housing is not available within their means.

2. Disabilities and/or Substance Abuse

In absence of appropriate treatment, individuals with physical, mental and /or health-related disabilities and/or substance abuse issues are at an increased risk for displacement. Once homeless, obtaining health care and treatment services is almost insurmountable. Gaps in services provided, lack of health insurance, waiting lists, and the lack of affordable housing are obstacles that must be overcome to prevent this population from becoming chronically homeless.

Potential Scope of Services

It is the intention of this Request for Proposal (RFP) to address homelessness by providing permanent housing coupled with supportive services. Proposals may address either "A" and / or "B"(defined below). Please note that if you are addressing only "A" or "B", you will be expected to work collaboratively with another service provider(s) or developer(s). This RFP will remain open until both objectives are addressed.

Submittals must provide information concerning the qualifications of the respondent(s) with respect to the portion or aspect in which the respondent wants to participate. Specific proposals must, in addition, provide sufficient detail about the proposal(s) to accommodate evaluation of project feasibility and effectiveness in achieving the stated objectives of this RFP/Q.

In order to reduce homelessness and provide appropriate services and service-enhanced housing for the most vulnerable homeless individuals, the City of San Diego (City) is inviting interested parties to submit their proposals demonstrating interest and qualifications to address the needs of chronic homelessness. These proposals may include, but are not limited to, development and/or operation of either or both of the following:

- A. A "one-stop service center" ("Center") in the downtown area of San Diego that would provide a full-range of diagnostic, counseling, referral, ancillary services, and potentially some emergency shelter accommodations for individuals and families who are homeless or at imminent risk of becoming homeless; and/or
- B. Permanent supportive housing units that could be located on a number of sites or located within the downtown area. "Permanent supportive housing" is defined as affordable housing with supportive services intended for a person or family whose head of household is homeless, or at-risk of homelessness, and has multiple barriers to employment and housing stability, which might include mental illness, chemical dependency, and/or other disabling or chronic health conditions.

NOTE: All proposals addressing "B" (permanent supportive housing) are required to incorporate a plan for providing coordinated resident services.

Please note that each respondent should clearly identify the primary intent of their proposal, e.g., only responding to Category A, etc.

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Attachment A includes two examples of service centers, one of which includes transitional and adjacent permanent supportive housing. These examples are included as best practice examples and should not be construed as a model for the proposers

Collaborative Efforts

It is expected that some proposals will involve collaborations of various developers, financiers, social service providers, and perhaps other types of entities. Each proposal should identify the person or organization that will serve as the lead partner of such a collaborative, tasked with the responsibility of bringing the proposal to fruition, and ensuring the ongoing success of the housing and/or services.

While proposals are being sought primarily for the downtown San Diego area, the ideas and solutions presented are likely to be replicated on a regional basis. Addressing chronic homelessness will be accomplished in multiple phases, with downtown development being implemented as Phase I.

Services

Services should reflect evidence-based practices that promote wellness and recovery. They should be geared to help residents maintain physical and emotional health and ensure stability. Service and property management strategies include effective, coordinated approaches for addressing issues resulting from substance use, relapse, and mental health crises, with a focus on fostering housing stability. Support services must be easily accessible and available to tenants, and evaluation of services for effectiveness and usefulness should occur on a regular basis.

Services provided could include, but are not limited to the following:

- Substance Abuse Counseling (Group & Individual)
- Mental Health Therapy (Group & Individual)
- Information & Referral
- Outreach
- Case Management
- Senior Services
- Job Skills Training/Education
- On Site Employment
- Childcare or Daycare
- Domestic Violence Services
- Personal Financial management & budgeting
- Personal Hygiene training & services
- Health & Wellness Education
- Dental Care
- Health Care
- Legal Assistance and / or a homeless court
- Health Aide Services (Visiting nurse care)
- Limited emergency housing (shelter beds/accommodations)

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Target Populations

Target populations include people who may be homeless (for any length of time) or are at risk of homelessness, and includes those who may be leaving other systems of care without a place to live, such as (1) young people aging out of foster care, (2) people with mental illness or other disabilities leaving jail or prison, (3) some members of the elderly population and, (4) federally defined homeless.

Individuals from the above target populations may either be placed directly into Supportive Housing, or providers may use this new housing capacity for persons currently residing in more service-intensive residential programs, and use the vacated units in the more service intensive programs for the targeted populations detailed above. Such plans are referred to as "backfill" arrangements.

Specific Sites Proposed

Each proposal should identify any specific sites proposed, and should indicate if the proposal has site ownership, or site control. Proposers should also provide a narrative description of their strategy to gain neighborhood support for the proposed use or uses. Lastly, proposers should provide a narrative description of their prior experience, or the experiences of other applicant team members, in working with communities to successfully site the development components (one stop service center and / or permanent supportive housing) proposed in the application.

Housing units may be designed as studio, one or two bedroom apartments. The proposal must reflect best practices to enable access to services on or off site.

Financing

Each proposal should estimate both capital and operating funding needed and identify any potential funding sources for the category that is being proposed.

Evaluation Criteria

All applications will be reviewed and recommended based on the following criteria:

1. Organizational Experience and Strength (20 points)

- Applicant's experience providing housing or service programs similar to those proposed.
- Applicant's organizational structure, including roles of board and staff members, the use of volunteers, and the agency's fiscal and accounting support.
- Experience and expertise of key applicant staff members and their roles in the program.
- Evidence of applicant's team to demonstrate the ability to raise private capital for the proposed uses. Such evidence should be in the form of private debt and equity providers' letters stating their willingness and ability to provide construction and term financing, and / or private equity to the applicant for the proposed use(s) during the 2009 and 2010 years, contingent only on normal project due diligence and underwriting.

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2. Project Design, Location and Program Operations (30 points)

- Appropriateness of the design, location, facility characteristics of the housing and the characteristics of the immediate neighborhood of the proposed project as well as the facility's proximity to other support services.
- Level and type of services offered, including:
 - Responsiveness of the program to the housing and service needs of the client population
 - Comprehensiveness of service delivery design
 - Level and type of support services, both on and off site
 - Level and frequency of case management
 - Activities to assist in transitioning residents to permanent housing

3. Leverage (25 points)

Proposals with multiple funding sources and the greatest amounts of non-local public fund money leveraged (as a percentage of total program cost) will receive maximum points. Sample scoring sheets for competitive programs should be attached to the project proforma.

4. Innovation and Collaboration (10 points)

- How the proposal incorporates a new approach to meeting the housing needs of the target population and/or provides an innovative solution to reducing or remediating homelessness.
- Coordination of services, including referrals to other service providers and coordination of follow-up activities.

5. Outcome Measures (15 points)

- Applicant's statement of its goals, how outcomes will be measured and how program success will be evaluated, with primary emphasis on goals related to increasing self sufficiency.

Selection Process

All applications will be reviewed and evaluated by Housing Commission staff to verify that applications are responsive (inclusive of required documents). An Evaluation Committee will be selected to review and rank each proposal in accordance with the criteria. Respondents receiving the highest number of points will be asked to do a presentation on their proposal during which the committee will have the opportunity to ask questions to clarify their understanding of the proposal.

The Housing Commission reserves the right to request "best and final" proposals from selected respondents based on the evaluation criteria and oral presentations. Negotiations will occur with the respondent(s) that is selected based on evaluation of the best and final proposals.

Conditions

By the act of submitting a proposal, respondent acknowledges and agrees to the terms and conditions of this RFP/Q and to the accuracy of the information submitted. All proposals become the property of the San Diego Housing Commission.

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NOTE: Documents used to create this Scope of Services and to which respondents should refer for additional clarification include:

- 1) Plan to End Chronic Homelessness (September 2006)**
- 2) PTECH Intake Committee Report (February 2008)**
- 3) Chronic Homelessness Summary & Recommendations (R. Ortiz, January 2008)**

Attachment A

Best Practice Models**PATH Mall-Los Angeles, CA**

- PATH Mall is a 40,000 sq foot service facility where homeless people can literally “shop” for services provided by over 20 on-site social service providers, all under one roof. The facility is centrally located and within walking distance to public transportation.
- The building is located at the end of a dead end street and was considered to be a blight on the neighborhood, therefore NIMBY was not an issue during the planning process. However, several local business owners voiced their concerns about the homeless camping out on the streets after hours. To address the issue, PATH has an outreach team in place and a relationship with LAPD. Individuals found camping on the streets, they are not permitted to use the services offered at PATH.
- Services available include case management, substance abuse counseling, a job center, mental health services, legal advocacy, healthcare, and a beauty salon, all services are free of charge.
- Service providers are not charged rent, but must support the cost of running their services. PATH pays the overhead cost of operating the building. MOUs are used instead of contracts, but this leaves PATH powerless to enforce operation guidelines.
- Four Caseworkers manage approximately 1,200 cases every month. The facility also employs 24-hr security and one maintenance worker.
- Case management, client tracking, and program outcomes are linked among agencies through a computerized database. In addition, regular case management meetings are held among agencies to help streamline data management.
- The second floor provides emergency and transitional housing. 39 beds for individual men, 21 beds for individual women, 18 beds in private rooms for individuals with special needs, and 20 beds for mothers and children. Individual rooms are small and just big enough to fit a bed and a night stand. The rooms are enclosed by half walls in a dorm like setting. Although the rooms are small, they provide shelter and safety from the streets, without promoting a lengthy stay. The family center also has a tutoring program and recreational activities available. There is no permanent supportive housing on-site; although this will be incorporated into the program design.
- In the course of a year, 1,200 people received mental health assistance, 500 people found permanent employment, 850 people received health care, and over 6,000 people received free haircuts and manicures.

St. Patrick's Partnership Center-St. Louis, MO

- The Partnership Center is a 100,000 sq foot service center, which provides 22 different programs all in one central location. The facility is a one stop shop conveniently located downtown and close to public transportation.
- Services available include mobile outreach, casserole program (volunteers serving hot lunches and dinners to clients on a daily basis), intake and assessment, child drop-in center, healthcare, substance abuse treatment, independent living skills, job training, and other day programs all free of charge. In addition, assistance is available for those on the verge of becoming homeless. The Neighborhood Support program provides assistance in the form of rent money, clothing, food, bus tickets, and other household goods to help maintain housing stability.

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- The 4th floor houses the BEGIN program, which stands for Business, Employment Growth Incomes Neighborhoods. The program is aimed at teaching various trades to clients in hopes of promoting self sufficiency. In addition, the organization manages McMurphy's Grill, a restaurant that provides job training for clients.
- Case management, client tracking, and program outcomes are linked among agencies, through a computerized database; regular case management meetings are held among agencies.
- There is no housing on-site, but the center operates 14 units of transitional supportive housing (off site) that serve the chronically homeless population. Services include medical and psychiatric care, employment counseling, education about self care, meals and clothing, and referral to other programs. A 26-unit permanent supportive housing complex is adjacent to and compliments the transitional living center. The units provide private bathrooms, a common area, efficiency kitchens, and common laundry facilities. Services are similar to those offered in the transitional living center. Unemployed residents help earn their rent with housekeeping duties through on-the-job training.
- The Center is currently undergoing a transition from 80% government funding to a goal of 30%. The funding source is to be offset by rents charged to service providers, city funding, and private donations.

002229		REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO			1. CERTIFICATE NUMBER (FOR AUDITOR'S USE) 335	
TO: CITY ATTORNEY		2. FROM (ORIGINATING DEPARTMENT): San Diego Housing Commission			3. DATE: 12/02 11/12/08	
4. SUBJECT: Proposed Scope of Services for Permanent Homeless Facility						
5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.) Cissy Fisher 578.7585 M.S. 49N		6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.) Carrol Vaughan 578.7544		7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED <input checked="" type="checkbox"/>		
8. COMPLETE FOR ACCOUNTING PURPOSES						
FUND	346				9. ADDITIONAL INFORMATION / ESTIMATED COST:	
DEPT.	Housing Finance					
ORGANIZATION						
OBJECT ACCOUNT						
JOB ORDER						
C.I.P. NUMBER						
AMOUNT						
10. ROUTING AND APPROVALS						
ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE
1	CISSY FISHER DIRECTOR	<i>Cissy Fisher</i>	11/11/08	8	DEPUTY CHIEF	<i>Bea Lunsay for William Anderson</i>
2	CARROL VAUGHAN EXECUTIVE VP & COO	<i>Carrol Vaughan</i>	11/12/08	9	COO	
3				10	CITY ATTORNEY	ALEX SACHS <i>Alex Sachs</i>
4				11	ORIG. DEPT	
5				DOCKET COORD: _____ COUNCIL LIAISON _____		
6				✓	COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input checked="" type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION	
7					REFER TO: _____ COUNCIL DATE: 12/2/08	
11. PREPARATION OF: <input checked="" type="checkbox"/> RESOLUTIONS <input type="checkbox"/> ORDINANCE(S) <input type="checkbox"/> AGREEMENT(S) <input type="checkbox"/> DEED(S)						
SCOPE OF SERVICES ADDRESSING HOMELESS BY PROVIDING PERMANENT HOUSING COUPLED WITH SUPPORTIVE SERVICES. THIS IS NOT A FINAL SCOPE OF SERVICES AND IS NOT MEANT TO BE DISTRIBUTED AS SUCH.						
11A. STAFF RECOMMENDATIONS: OPEN RFP/Q FOR A "ONE STOP" CENTER PROVIDING SERVICES TO HOMELESS PERSONS AND FAMILIES AND FOR DEVELOPMENT PROPOSALS FOR PERMANENT SUPPORTIVE HOUSING FOR THE SAME CLIENTELE.						
12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.) COUNCIL DISTRICT(S): CITYWIDE COMMUNITY AREA(S): ENVIRONMENTAL IMPACT: THIS ACTIVITY IS NOT A PROJECT WITHIN THE MEANING OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15060(C)(3) OF THE STATE CEQA GUIDELINES. THIS ACTIVITY IS ALSO EXEMPT FROM REVIEW UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT AS NO FEDERAL FUNDS ARE INVOLVED. HOUSING IMPACT: WILL CREATE SUPPORTIVE HOUSING FOR CHRONICALLY HOMELESS OTHER ISSUES: NONE						

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RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION AUTHORIZING THE SAN DIEGO HOUSING
COMMISSION, ON BEHALF OF THE CITY OF SAN DIEGO,
TO ACCEPT PROPOSALS FOR A PERMANENT HOMELESS
FACILITY

WHEREAS the City Council [Council] has determined that a permanent housing facility coupled with services for homeless individuals would be of significant public benefit; and

WHEREAS the Permanent Homeless Facility Task Force, and a subcommittee thereof, has worked to develop draft Scope of Services to allow the solicitation of proposals for the provision of permanent supportive housing and supportive services for homeless individuals; and

WHEREAS the Council now directs that a Request for Proposals [RFP] process be finalized and managed by the San Diego Housing Commission [Commission] on behalf of the City; NOW, THEREFORE,

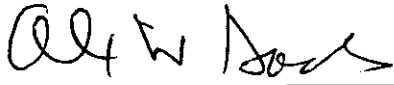
BE IT RESOLVED, by the Council of the City of San Diego, that, as described in City Council Report CCR 08-009 and Attachment 1 thereto, the Council does hereby recommend the draft RFP/Scope of Services which will be used by the Commission as a model for a final RFP open to the public.

BE IT FURTHER RESOLVED, that no further action by the Council or the Housing Authority is necessary prior to the Commission's release of the final RFP for public review and applications.

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BE IT FURTHER RESOLVED, that this activity does not constitute a "project" within the meaning of the California Environmental Quality Act [CEQA] pursuant to Section 15060(c)(3) of the State CEQA Guidelines. Furthermore, this activity is exempt from review under the National Environmental Policy Act [NEPA] as no federal funds are involved in the activity at this time.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Alex W. Sachs
Deputy City Attorney

AWS:mm

11/19/08

Or.Dept: Housing Comm.

R-2009-694

MMS#7096

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor